

## **Prudence Island Water District**

### **Minutes of meeting 3/05/05**

**1. Call to order – Meeting was called to order at 1:04 p.m. Present were Richard Brooks, moderator David Buffum; Patricia Richard, clerk; and Robert Hanson.**

**2. Approval of minutes – Richard Brooks moved to approve the minutes of the meeting held 2/19/05. Robert Hanson objected to the comment made by David Buffum about the meters being installed in the next 3-4 years. From the meeting 2/19/05-“Jessie Brooks asked when this metered service would take place and the Board said it would be several years (3 or 4 years) down the road.”**

**David Buffum’s comment of 3 or 4 years should not be construed as fact by the board, since we don’t know.**

**Richard Brooks made a motion to approve the minutes of the meeting held 2/19/05 with the clarification discussion.**

**Robert Hanson seconded, motion approved unanimously.**

**3al. Appointment of Collector – Board members didn’t have any new prospects for a Collector, and Richard Brooks said that he had spoken to Ed Collamati and he decided that he didn’t want to be considered for the position of collector.**

**3all. Appointment of Board Member-Board members didn’t have any new prospects for a Board Member.**

**Richard Brooks said that he had spoken to Ed Collamati and he decided that he didn't want to be considered for a position on the Board either.**

**3b. Bylaws – David Buffum said that he was rewriting the sections that comments were made on at the last meeting and would have an update before the next meeting.**

**3c1. Administrative priorities – Patricia Richard said that the notice of election went out on time, with expenses for supplies at \$221.00, and postage at \$260.00. There was also two ads placed, one for the intent to file for USDA funding and the other for notice of election, for an expense of \$120.00.**

**Patricia Richard also would like us to acquire a credit card so that we can make purchases online.**

**The Treasurer, (David Buffum) and another board member (Richard Brooks) would probably be the best two to apply since she is up for reelection and may or may not be reelected.**

**Patricia Richard also said that we need to find a space to hold the Election, and that the best place within the district would be the PIA hall. The cost is a \$100.00 deposit and a \$100.00 use fee. The deposit is returned if the hall is as clean as we got it. The board agreed, Patricia Richard will reserve the space.**

**3c2. Technical – Richard Brooks said that until we hear back from the USDA on our funding request we are in a holding pattern.**

**3d – Funding.- Patricia Richard said that she had received the check from the RI Foundation for the ADDD grant, for \$1120.00**

**We can now proceed with the website, she also reminded us about doing biographies for the web site.**

**The USDA grant applications have been completed and submitted Patricia Richard said she applied for a grant through Patrick Kennedy's office for \$25,000.00 for professional services. This grant was submitted through the town with help from the town administrator .Ms. Richard also found out about grant monies that might be available through Senator Reeds office, and was able to get something in to them before the deadline. That grant proposal was for \$35,000.00 for renovation of the post acquisition office space at the PIUC Narragansett Ave. address, water treatment options, and water quality issues.**

**Robert Hanson informed the board that the building has just been sold.**

**Patricia Richard said that she would call Senator Reeds office to inform them of the recent turn of events, and see if there is anything that can be done.**

**4a. Correspondence – Nothing came in during the past two weeks.**

**4b. Meet with professional advisors-legal**

**Kim Greene introduced Sandra Mack from HinckleyAllenSnyder.**

**She is the legal council for the Bristol water authority, and was involved in all aspects of the transition of a private water company to a newly formed Bristol water district.**

**Kim Greene said she is the most experienced person in this area with regards to this type of work, and is also a Bond Attorney, and will be able to help us with Bond issues when the time comes.**

**Sandra Mack briefly talked about what was involved with the work she did with the Bristol water Authority, and talked about what we could expect will be needed for us to accomplish our goals.**

**Sandra Mack said we First would need feasibility study done, and that this would give us four important pieces of information.**

- 1. What are the water needs of the Island.**
- 2. What are the anticipated water needs of the Island for the next fifty (50) years.**
- 3. What are the options for meeting those water needs.**
- 4. What is the cost of these options.**

**This along with financial assumptions of potential revenue from water rates, gives the board a tool to use for applying for grants, issuing bonds, making policy decisions etc.**

**Secondly we would need to find financing for the project.**

**One option would be a bank. This might be an option, but would come at a much higher interest rate than we could get with Government sponsored loans, such as the U.S.D.A. .**

**After exploring these financing opportunities, for the short term , issuing bonds would be the way to go for the long term.**

**We will need council to help us get through the process of acquiring**

**the existing water company.**

**Dealing with nondisclosure agreements, etc..**

**We should go through an RFP process.**

**A report should be done to determine the potential growth for the Island.**

**An RFP process will give you potential needs and costs associated with the potential growth.**

**This would allow the Board to develop a strategic plan.**

**The Board will need a lawyer to help get through what is required of the Board as a public entity, in implementing this plan.**

**Sandra Mack said that the Feasibility study is a very important tool for showing options to aid in the decision process.**

**Richard Brooks said that the Board has already applied for monies from the U.S.D.A. for a Preliminary Engineering Report and an Environmental Study Report.**

**Sandra Mack asked if we had seen the reports, and Patricia Richard explained that we are in the process of applying for the funding for these studies.**

**Sandra Mack asked what the cost of the Preliminary Engineering Report would be and Patricia Richard explained about the \$7500.00 grant from U.S.D.A. with our match of \$2500.00 .**

**Sandra Mack thought that this \$10,000.00 seemed low for the amount of work involved to do such a study.**

**Kim Greene said the Engineering Proposal stated that there might be other costs not included in the \$10,000.00 quote.**

**Richard Brooks said that the Environmental Study Report, was also a**

**\$7500.00 grant from U.S.D.A. with our match of \$2500.00 .**

**Sandra Mack said a Feasibility study would cost more than what was charged for the Preliminary Engineering Report, and questioned if it would give us what we needed.**

**Patricia Richard said she would E mail a copy of the U.S.D.A. 1780-2, so she could see what was required by the U.S.D.A..**

**Richard Brooks said that the Board had copies of the Engineering proposals stating what would be done, and we could get her those as well.**

**Patricia Richard said that the Engineer realizes that we need to get this done within the U.S.D.A. funding available and that the “carrot” was that there was a lot more Engineering work to be done.**

**Sandra Mack said that she didn’t know who the Engineer was but to make sure that the Engineer was qualified to do this type of work.**

**Patricia Richard said that the Engineer was on the U.S.D.A. list.**

**Richard Brooks said that the Engineer has done this type of work before with the U.S.D.A..**

**Sandra Mack said that a way to get monies for engineering, legal etc. is to add the following to any grant proposal. “and for incidental costs relating to architectural, Engineering, accounting, auditing, and legal”.**

**This allows you to use some of that grant money to help pay the fees of these professionals.**

**Sandra Mack said that the process we need to go through just to get the financing for the Engineering study and deliberations are made for acquisition of the water company would take nine months to a**

year.

Patricia Richard asked Sandra Mack if we needed to register with the Secretary of State as a corporation?

Sandra Mack said we are not required to register with the Secretary of State at this time but at some time in the future it may be advantageous for us to form a nonprofit corporation for the purpose of acquiring assets, and limiting liability.(as was done for the Bristol water Authority)

Patricia Richard asked Sandra Mack how do we show suppliers that we should be sales tax exempt for making purchases.

Sandra Mack said that we should contact Division of taxation, give them a copy of our charter, and they will give us a certificate for sales tax exemption to show suppliers.

Richard Brooks asked Sandra Mack about the nondisclosure agreement we have been given, and how to proceed.

Sandra Mack said that we should never sign any legal document without input from legal council.

Patricia Richard said she wouldn't sign this document because of its vagueness.

It doesn't say what is confidential. There is no time frame for how long things should remain confidential. It doesn't say how confidential documents will be marked.

Sandra Mack said it was a confidential agreement that was one sided, and lacking some details.

Sandra Mack said that is why we need council to respond to documents like this and to iron out a document that is agreeable to

**both parties.**

**Sandra Mack said that as far as items being confidential, a financial report would be considered to be such a document. She also said that if there is information the PIUC wants held confidential that is available elsewhere then it doesn't need to be kept confidential. She said that no company wants to share what it is making for profits. That is different from disclosing the terms agreed for purchasing the company, that would not be kept confidential.**

**Patricia Richard said that the PIUC created this to bail themselves out of a difficult situation, and they wish to keep the extent of the problems out of the public eye.**

**Sandra Mack said that wouldn't be possible, whatever problems might exist such as a failing infrastructure (old pipes etc.) would reflect in the value of the Company.**

**Richard Brooks asked Sandra Mack how we could afford to pay for a lawyer when we have such limited funds at this time.**

**Sandra Mack said that firms realize that the money is very limited at the beginning, and most firms will work at a reduced rate, while at the same time be looking for funding to pay for the project including funds for the lawyer.**

**Sandra Mack said that money for professional services is written into many grants.**

**Patricia Richard said that some grants won't give money for these services, but that there are specific grants that do address the need to fund for these services.**

**Robert Hanson asked Sandra Mack what her firm rates were.**



**Sandra Mack said that they normally charge \$400.00 per hour, but for an instance like this**

**They would not bill by the hour but project based fees would be more appropriate.**

**Sandra Mack talked about the need to set up a step by step plan in order to help get through all that is needed. Sometimes it's a linear progression, but as the project progresses you will be working on many tasks at the same time in order to get things done on time so that the next step can be accomplished.**

**David Buffum asked the board if there were any more questions, and the consensus was that we had a lot to think about, and were finished for now.**

**David Buffum thanked Sandra Mack for coming and talking to the board.**

**4c. Other business. None**

**5. Mr. Buffum moved for adjournment to Executive Session after a five minute break , seconded by Ms. Richard, approved unanimously. The meeting was adjourned at 2:45 p.m.**

**David Buffum, Assistant Clerk**